

**SECTION II- SPECIFIC COMPLIANCE**  
**SINGLE AUDIT**

## **Federal and State Audit Requirements**

### Applicable Guidance

A financial and compliance audit must be performed per Federal Office of Management and Budget (USOMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, issued pursuant to the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996. Circular A-133 issued June 24, 1997, implements the 1996 Single Audit Act Amendments.

The audit must be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The current audit standards are specified in *Government Auditing Standards (Yellow Book)* (Comptroller General of the U.S. 1994 Revision, available from the Government Printing Office - Superintendent of Documents: Stock Number 020-000-00265-4). Amendments to that edition have been issued and the *Government Auditing Standards as of July 1999 (through Amendment No. 2)* is currently applicable and available in electronic form through the GAO website [www.gao.gov](http://www.gao.gov).

When auditing federal programs, auditors are strongly advised to use the OMB 133 Compliance Supplement which is in Appendix B of Circular A-133. USOMB Circular A-133 is available on the Internet at <http://www.whitehouse.gov/omb/circulars/>. At that site, select Appendix B: March 2003 Compliance Supplement, then at the pulldown table of contents, select the appropriate department (e.g., Dept of Agriculture, Department of Education, Department of Health and Human Services).

A list of changes for the 2003 Compliance Supplement can be accessed at Appendix V of the document. Auditors should review the Supplement for changes made by the No Child Left Behind Act (NCLB) of 2001 when auditing federal programs. The 2003 Compliance Supplement is available for sale from the Government Printing Office by calling (202) 512-1800. The stock number for this document is 041-001-00593-5.

**The applicable Catalog of Federal Domestic Assistance (CFDA) number for a federal grant or federal aid can be found on the New Jersey Department of Education Contract. Alternatively, a listing of grant titles with the CFDA numbers is contained in this chapter of the Audit Program (Section II-SA) or the auditor can look up a program at the CFDA web site: <http://www.cfda.gov/public/allprogs.asp>**

The AICPA SOP 98-3, Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards was first issued in March 1998, to provide guidance on the auditor's responsibilities when conducting a single audit or program specific audit in accordance with the Single Audit Act Amendments of 1996 and USOMB Circular A-133. The SOP incorporates guidance from The Single Audit Act Amendments of 1996, OMB Circular A-133, AICPA Statement on Auditing Standards (SAS) No. 74 *Compliance Auditing Considerations in Audits of Government Entities and Recipients of Governmental Financial Assistance*, *Government Auditing Standards*, and OMB Circular A-133 Compliance Supplement. The September, 2002 GASB 34 edition is applicable for the first fiscal period ending after June 15, 2003 in which a government is required to apply the provisions of GASB 34, i.e., June 30, 2003 audit for New Jersey school districts on GASB 34. **Auditors of districts implementing GASB 34 are advised to refer to the AICPA Audit Guide (GASB 34 Edition) for updated report illustrations and other guidance.**

NJ State Office of Management and Budget (NJOMB) Circular Letter 98-07, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, establishes state policy and procedures and outlines the responsibilities of state agencies and grant recipients to ensure that recipient single audits are performed according to Federal and State requirements. Circular Letter 98-07 is available on the website: <http://www.state.nj.us/infobank/circular/cir9807b.htm> It requires auditors to test and report on State grant and State aid compliance during the performance of recipient single audits. Compliance requirements for the Department of Education are contained in the department issued State Aid/Grant Compliance Supplement which is available on the New Jersey DOE website.

### Risk based Approach

If a school district is being audited for the second time under Circular A-133 the auditor must follow the risk-based approach to determine major programs in accordance with section .520 of Circular A-133. Section .520(i) of Circular A-133 allows auditors to deviate from the use of the required risk-based approach when determining major programs during the first year that an entity is audited under the revised Circular A-133 or the first year of a change of auditors.

NJOMB Circular Letter 98-07 also requires the use of the same risk based approach to audit and monitor State financial assistance as used in federal programs. AICPA Statement of Position (SOP) 98-3, Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards, and Circular A-133 (Section .520) should be referenced for guidance on this approach.

### **General Notes Regarding the Schedules of Expenditures of Federal Awards and State Financial Assistance**

All special projects including those funded by pass-through monies, other than those funded locally under the general fund, must be separately accounted for in the school district accounting records. The CAFR must include a separate *Schedule of Expenditures of Federal Awards* (Schedule A) and a separate *Schedule of Expenditures of State Financial Assistance* (Schedule B). The format of the schedules included in the sample CAFR was designed to provide the history of a grant from its initial award to the final disposition of the funds through either their expenditure or their refund to the grantor. Instructions regarding schedule preparation are included in this section of this document. Please note the titles of these schedules are as indicated in USOMB Circular A-133 and NJOMB Circular Letter 98-07.

### **Specific Notes Regarding Federal Awards**

#### Carryover

In the event that the budgetary expenditure incurred by the district is less than the amount of federal aid cash received (special revenue only), the district shall apply for carryover where permissible by statute after completion of the project period. Those funds not available for carryover but with a grant expiration date beyond June 30th, are not due to the grantor until the grant expiration date has elapsed. In this situation, excess cash received shall be reported as deferred revenue on the *Schedule of Expenditures of Federal Financial Assistance* (Schedule A) of the audit report, in the column entitled "Deferred Revenue." When the amount of cash received is less than budgetary expenditures, a receivable shall be shown as a negative amount on Schedule A, in the column entitled "(Accounts Receivable)." No negative cash balances are permissible in the balance sheet. There should be an interfund payable set up to reflect advances from the General Fund.

When no carryover application is made, when current grant funds are expired or when prior year entitlement funds are expired, the funds shall be refundable to the department and shall be reported on Schedule A, column entitled "Due to Grantor." All funds that have been refunded during the fiscal year shall be shown on Schedule A, column entitled "Repayment of Prior Year Balances."

The *No Child Left Behind Act* (NCLB) of 2001 (P. L. No. 107-110) reauthorizes the *Elementary and Secondary Education Act* of 1965 (ESEA). *No Child Left Behind*: NCLB contains fiscal compliance issues including, but not limited to, supplement not supplant, commingling of funds, allowable costs, administrative costs caps, maintenance of fiscal effort, comparability, transferability, and schoolwide programs. Auditors are advised to obtain the most recent Federal OMB-133 Compliance Supplement, and other NCLB Policy Guidance available at <http://www.ed.gov/offices/OESE/asst.html>. The NCLB updated Compliance Supplement is expected to be available in mid-April 2003. The New Jersey NCLB Reference Manual includes fiscal guidance in Section IV "Fiscal Regulations and Responsibility" of the FY 2003 NCLB Application available at <http://www.nj.gov/njded/grants/entitlement/nclb>.

It should be noted that pursuant to the *Elementary and Secondary Education Act* (ESEA) as amended by the *Improving America's Schools Act* (IASA), the U.S. Department of Education has provided guidelines for preparing the schedule of expenditures of federal financial awards when grantees transfer amounts between ESEA programs, consolidate administrative funds of ESEA programs or combine ESEA funds in a schoolwide program. For pre-NCLB programs, the ESEA Compliance Supplement should be referenced for these guidelines. **Auditors are advised to obtain the most recent Federal Compliance Supplement, available on the Internet website:** <http://www.ed.gov/legislation/ESEA>.

**Schoolwide Status:** All non-Abbott schools with an approved Title I schoolwide program may combine certain federal funds. If the school does combine these resources, the expenditures are then accounted for down to the function object level as a combined federal source. Those expenditures will need to be allocated back to the original federal funding sources at June 30, in a manner similar to that applied to the Blended Resource Fund 15 in an Abbott Whole School Reform School. This activity for the non-Abbotts will be recorded in Fund 20, not Fund 15. See the Abbott Addendum for guidance on how to perform the calculations and report the schoolwide programs in the CAFR. This also applies to all Abbott schools with an approved Title I schoolwide program in the 2002-03 school year.

### **Specific Notes Regarding State Financial Assistance**

Under CEIFA, restricted formula aids (DEPA, ECPA, ISA, and DLNA) which are not fully expended or encumbered by year end must be carried over and reported as deferred revenue on Schedule B in the column entitled "Deferred Revenue".

Districts may not carry over Nonpublic state aid. In the event the budgetary expenditure incurred by a district is less than the amount of state aid cash received (Nonpublic), the district shall refund the unexpended state aid after the completion of the school year. Refunds of unexpended state aid for Chapters 192 and 193 shall be paid no later than December 1 (N.J.S.A. 18A:46-19.8 and 18A:46A-14). The Division of Finance will adjust the amount of aid based on the unexpended balances reported on the *Schedule of Expenditures of State Financial Assistance* (Schedule B) of the single audit report, column entitled "Due to Grantor", if the refund is not received by December 1.

## Preparing the Schedules of Expenditures of Federal Awards and State Financial Assistance

Two separate schedules, the *Schedule of Expenditures of Federal Awards* and the *Schedule of Expenditures of State Financial Assistance*, are prepared from the district records and must include all active (i.e. - not closed) financial assistance programs in which a district is participating regardless of the fund in which they are accounted. The format of the schedules was designed to provide the history of a grant from its initial award to the final disposition of funds through either their expenditure or their refund to the grantor. Each schedule must reflect the current fiscal year's activity by program in the format presented later in this chapter of the Audit Program (II-SA) or also available on the NJSCPA Sample School District CAFR on the web site, <http://www.njscpa.org/business/governmental.cfm>. The information is presented on a budgetary basis and must agree or be reconciled with the amounts reported in the *General Purpose Financial Statements* and in the *Combining and Individual Fund and Account Group Statements and Schedules*.

**GASB 34 Model** – The information presented on these schedules must agree with the amounts reported in the *Budgetary Comparison Schedules* and the *Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis*. Explanations of the information required to be included are presented below.

**Auditor's Note** – Auditors should review The Abbott Addendum for items that specifically relate to Abbott districts.

### Schedule Definitions/Headers

**Grantor/Program Title:** This column designates the original grantor department/agency (grantor) of the financial assistance and the name of the assistance program. Programs are classified by grantor and are further delineated within grantor as to direct or pass-through programs. The schedule must identify the program as direct or pass-through. When there are several active grants within the same program they will be presented separately within the schedule.

**Federal CFDA Number:** This is applicable to the *Schedule of Expenditures of Federal Awards* only and represents the federal program number obtained from the Catalog of Federal Domestic Assistance (CFDA). When the CFDA number is not available, this fact should be noted and the program should be identified by an other identifying number, if available.

**Grant or State Project Number (State Aid NJCFS Number):** This is applicable to the *Schedule of Expenditures of State Financial Assistance* only is the state identifying number that can be obtained in a latter page of this chapter of the Audit Program (II-SA) or from the NJ State Appropriations Handbook. It is used by the NJ Department of Education for monitoring and reconciling state awards.

**Grant Period:** Represents the initial period for which the program was awarded.

**Award Amount:** Designates the amount of the initial program award. The full amount of the award or grant agreement should be reported in this column. **Noncash awards such as a state grant for facilities (EDA/SCC grants) which are paid directly by the EDA/SCC to the vendors are included in this column and may be notated (NC).**

**Balance at June 30, 20X1:** This column represents deferred revenue, intergovernmental accounts payable, or intergovernmental accounts receivable for those prior year programs which have balances as of the end of the prior fiscal year. A positive amount reflects deferred revenue or intergovernmental accounts payable and a negative amount represents an intergovernmental accounts receivable. These amounts must agree with the prior year CAFR.

**Carryover/(Walkover) Amount:** Reflects the movement of award proceeds which have been approved for carryover into a carryover program code. Note that any walkover amount must be reflected as a negative amount on the line from which it was transferred, and a positive amount on the grant/aid program line to which it was transferred. Prior year state restricted formula aids would be reflected in this column.

**Cash Received:** Reflects the amount of cash received during the current fiscal year for the applicable financial assistance program.

**Budgetary Expenditures:** Represents the total costs chargeable to the program during the current fiscal year on a budgetary basis. These amounts must agree with the amounts reported in the *General-Purpose Financial Statements* and in the *Combining and Individual Fund and Account Group Statements and Schedules*.

**GASB 34 Model** – The budgetary expenditures amount must agree with the *Budgetary Comparison Schedules* and the *Budgetary Comparison Schedule, Note to RSI* and the *Special Revenue Combining Schedule of Program Revenues and Expenditures – Budgetary Basis*.

For Demonstrably Effective Program Aid, this reflects the total actual DEPA expenditures per the District-Wide DEPA Statement. For Early Childhood Program Aid, this reflects the total actual spent for ECPA, excluding the amount transferred from the General Fund to fund ECP. Budgetary expenditures include contribution to charter schools.

**Adjustments:** In instances where a grant period overlaps fiscal years and the grant has not closed out as of the end of the current fiscal year, favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in the prior fiscal year should be included in the *Schedule of Expenditures of Federal Awards* (Schedule A) and *Schedule of Expenditures of State Financial Assistance* (Schedule B) in a column entitled “Adjustments.” This column would not be used for differences in the liquidation of encumbrances on grants which have closed out as of the end of the current fiscal year since these differences would affect current year expenditures. Reporting this information separately from current year expenditures will provide a clearer indication of the grant activity during a period of time. Any amount reported as an adjustment in the Schedule A or Schedule B must be fully explained in the *Notes to the Schedules of Expenditures of Awards and Financial Assistance*, including the reason for the adjustment and the period to which it pertains.

**Repayment of Prior Years' Balances:** Repayments are made during the current fiscal year to a grantor for unexpended funds on a program whose grant period has expired and no carryover was granted or allowed. Do not list Repayment of Prior Years' Balances unless refunds have been sent to the Grantor during the current year.

**(Intergovernmental Accounts Receivable) at June 30, 20X2:** Amounts receivable from the grantor, as of fiscal year end, are reflected here. The amounts reported on the Schedule A must agree with the amounts reported in the General-Purpose Financial Statements (GASB 34 Model – Basic Financial

Statements) and in the Combining and Individual Fund and Account Group Statements and Schedules. Amounts reported on the Schedule B will differ by the amount of state aid which is paid in July of the subsequent year, exclusive of deductions. The amount reflected on Schedule B is computed using the Program amount less the cash received.

**Deferred Revenue at June 30, 20X2:** Unexpended award proceeds as of fiscal year end which are expendable in the subsequent fiscal year are reflected here. These amounts must reconcile to the amounts reported in the *General-Purpose Financial Statements* and in the Combining and Individual Fund and Account Group Statements and Schedules. For *Demonstrably Effective Program Aid*, *Early Childhood Program Aid*, *Instructional Supplement Aid*, and *Distance Learning Network Aid*, if the district has deferred revenue, then the amount reported in the Schedule B plus the state aid payment made in July of the subsequent year for each aid must agree with the amount calculated on the Special Revenue Restricted Aid Statements as actual carryover.

**Due to Grantor at June 30, 20X2:** Unexpended award proceeds which are due back to the grantor as of fiscal year end are listed here. These amounts are reflected in the general ledger as Intergovernmental Accounts Payable and should reconcile to the amounts reported in the *General Purpose Financial Statements* and in the *Combining and Individual Fund and Account Group Statements and Schedules* By the amount of the state aid payment (general and special revenue fund) made in July of the subsequent year. This column will be utilized by the Department of Education to identify and collect moneys due to the state for federal and state programs. If a district has amounts due back to the grantor at the end of the fiscal year, that amount must appear in the Due to Grantor column of the current fiscal year, and also in each subsequent year's CAFR as a balance at June 30 of the prior year until the amount is ultimately repaid. If a district has no unexpended award proceeds due back to the grantor, show the column heading and leave the column blank.

**GASB 34 Model** – These schedules are prepared using budgetary expenditures which must be reconciled to the *Balance Sheet – Governmental Funds* on the *Budget to GAAP Reconciliation in the Notes to RSI*. The amount of the state aid payment made in July (general and special revenue fund) of the subsequent year as well as encumbrances in the special revenue fund will be reported as reconciling items.

The Auditors Management Report and the Schedule of Findings and Questioned Costs must indicate whether the district has complied with federal and state regulations in a timely manner. Grant refunds are to be submitted with the Final Expenditure Reports. Discretionary grant refunds are required by the department upon approval of the final expenditure report. If grant periods extend beyond the audit deadline of June 30<sup>th</sup>, unexpended funds should be listed as Deferred Revenue and refunded with the Final Expenditure Reports. Do not list Repayment of Prior Years' Balances unless refunds have been sent to the Grantor. If the school district Schedule of Finding and Questioned Costs or Audit Findings indicate that refunds are due, the refunds are to be submitted promptly with an explanation regarding the findings.

Grant Closeout Procedures regarding refunds are identified under state and federal guidelines:

Circular Letter 89-19-OMB: XXIV

(C) "The Grantee will, together with the submission of the final report, refund to the Department any unexpended funds or unobligated (unencumbered) cash advanced, except such sums that have been otherwise authorized in writing by the Department to be retained."

Code of Federal Regulations: Title 34 Education [Part 80 – Sec. 80.50 Closeout]

(d)(2): “The grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.”

Corrective Action Plans filed by the district with the grantor indicate non-compliance issues. Auditors should review the school district’s Findings, the Schedule of Findings and Questioned Cost and the schedules listed above. When a Corrective Action Plan has been adopted by the district, the auditor must consider the impact of the potential non-compliance with the grant terms on the financial statements (CAFR).

***Additional Information:***

The schedules of expenditures of federal awards and expenditures of state financial assistance must be in the same format as those shown in the sample schedules in this chapter, including all columns, even if left blank. Schedules must be subtotaled by grantor and reflect grand totals for the following columns: Budgetary Expenditures, (Intergovernmental Accounts Receivable), Deferred Revenue and Due to Grantor. The value of noncash assistance must be included on the applicable schedule or a note in the schedule. In addition, federal programs included in a cluster of programs must be listed individually.

The award amount and budgetary expenditure figures for general fund state aids other than TPAF/Social Security reimbursements should be equal and agree with the amount shown as revenues for the applicable state aid in the budgetary statements/schedules. This also applies to on-behalf TPAF Pension amounts which must be included in the Schedule of Expenditures of State Financial Assistance.

TPAF/Social Security reimbursements must be reflected on the schedule of expenditures of state financial assistance. Any receivable outstanding from the prior year should be shown on a separate line. The current year award and expenditure amount represents the total of the amounts submitted for reimbursement during the current year. The uncollected balance (cash received minus amount billed) is shown as intergovernmental accounts receivable at year-end.

Food Distribution Program (formally USDA Commodities) should be presented in the schedule at the full cash equivalent value. The award and cash received amounts should be the value of the commodities distributed during the year. The budgetary expenditures amount is the amount of inventory consumed and the deferred revenue amount is the ending inventory amount.

The identification of major programs with an asterisk (\*) in the schedule of expenditures of federal awards and state financial assistance is not required. This information is included in the Schedule of Findings and Questioned Costs prepared by the auditor.

**FEDERAL PROGRAM NUMBERS  
FROM CATALOG OF FEDERAL  
DOMESTIC ASSISTANCE  
(List Not All Inclusive)**

CFDA #

10.550	Food Donation
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.558	Child and Adult Care Food Program
10.559	Summer Food Service Program for Children
10.564	Nutrition Education and Training Program
17.249	School-to-Work Opportunities Act Transition Grant
17.250	Workforce Investment Act (formerly JPTA)
47.049	Statewide Systemic Initiative in Science, Mathematics and Engineering Education
47.076	National Science Foundation: Education and Human Resources
84.002A	Adult Education – Basic State Grant
84.004A	Desegregation Assistance, Civil Rights Training, and Advisory Services
84.010A	Title I Grants to Local Educational Agencies
84.011A	Migrant Education - Basic State Formula Grant Program
84.013A	Title I Program for Neglected and Delinquent Children
84.025A	Services for Children with Deaf-Blindness
84.027A	Special Education - States Grant
84.029H	Comprehensive System of Personnel Development (CSPD) Training Grant
84.040	Impact Aid – Facilities Maintenance
84.041	Impact Aid



**FEDERAL PROGRAM NUMBERS cont'd.**

## CFDA #

84.048A	Vocational Education - Basic Grants to States
84.158A	State Systems for Transition Services for Youths with Disabilities
84.162A	Emergency Immigrant Education
84.165	Magnet Schools Assistance
84.173A	Special Education- Preschool Grants
84.181	Special Education – Grants for Infants and Families with Disabilities
84.184E	Hate Crimes Prevention Program
84.184G	Safe & Drug –Free Schools and Communities Act National Programs
84.184M	Safe & Drug-Free Schools and Communities Act - Effective Alternative Strategies
84.185A	Byrd Honors Scholarships
84.186A	Safe and Drug-Free Schools and Communities - State Grants (SEA Portion)
84.186A	Safe and Drug-Free Schools and Communities – State Grants (Governor’s Portion)
84.194Q	Title VII Bilingual Education Support Services
84.195A	Teachers and Personnel Grant
84.196A	Education for Homeless Children and Youth
84.213C	Even Start – State Education Agencies
84.215	Fund for the Improvement of education
84.215U	Christa McAuliffe Fellowships
84.215V	Partnerships in Character Education
84.216A	Title I – Capital Expenses
84.243A	Vocational Education – Tech Prep Education
84.276	Goals 2000 – State and Local Education Systemic Improvements Grants
84.278B	School-to-Work Opportunities State Implementation Grant
84.281A	Title II – Eisenhower professional Development State Grants

**FEDERAL PROGRAM NUMBERS cont'd.**

CFDA #	
84.281B	Title II – Eisenhower professional Development Higher Ed Grants
84.281C	Title II Standards, Assessment, and Accountability
84.282A	Charter Schools
84.288	Bilingual Education - Program Development and Implementation Grants
84.290	Bilingual Education - Comprehensive School Grants
84.291	Bilingual Education - Systemwide Improvement Grants
84.293C	Foreign Language Assistance Grants (FLAG) (SEAs)
84.298A	Title VI – Innovative Education Program Strategies
84.318X	Technology Literacy Challenge Fund
84.323	State Program Improvement Grants
84.326C	Deaf Blind Centers
84.326X	IDEA General Supervision Enhancement Grant
84.340A	Class Size Reduction (Title VI)
93.576	Refugee Children School Impact
93.778	Medical Assistance Program
93.938	Comprehensive School Health/HIV
94.003	AmeriCorps State Commission
94.004	Learn & Serve America
94.006	AmeriCorps National & Community Service
94.007	AmeriCorps Promise Fellows
94.009	AmeriCorps Professional Development

**STATE AID AND STATE GRANT  
STATE ACCOUNT NUMBERS**

**GENERAL FUND**

03-495-034-5120 -022	Core Curriculum Standards Aid
03-100-034-5120 -339	Core Curriculum Standards Aid
03-495-034-5120 -023	Supplemental Core Curriculum Standards Aid
03-495-034-5120 -042	Abbott v. Burke Parity Remedy Aid
03-495-034-5120 -014	Transportation Aid
03-495-034-5120 -011	Special Education Aid
03-495-034-5120 -008	Bilingual Education Aid
03-495-034-5120 -030	Stabilization Aid
03-495-034-5120 -047	Stabilization Aid 3
03-495-034-5120 -033	Large Efficient District Aid
03-495-034-5120 -036	Aid for Districts with High Senior Citizen Populations
03-495-034-5120 -038	Stabilization Aid 2
03-495-034-5120 -044	Extraordinary Special Education Costs Aid
03-495-034-5120 -049	Additional Abbott Burke State Aid
03-495-034-5120 -055	Abbott Preschool Expansion Aid
03-495-034-5120 -013	County Vocational Program Aid
03-495-034-5120 -039	Adult and Postsecondary Education Grants
03-495-034-5120 -028	Rewards and Recognition
03-495-034-5120 -054	School Bus Crossing Arms
03-495-034-5120 -005	Payment for Institutionalized Children- Unknown District of Residence
03-495-034-5095 -050	Teacher's Pension and Annuity Fund
03-495-034-5095 -051	Social Security Tax
03-495-034-5120 -050	Regionalization Incentive Aid
03-495-034-5068 -001	School Choice Aid
03-495-034-5068 -003	Charter School Aid
03-100-034-5064 -145	Asthma Nebulizers

**SPECIAL REVENUE FUND**

03-495-034-5120 -025	Early Childhood Program Aid
03-495-034-5064 -002	Demonstrably Effective Program Aid
03-495-034-5120 -051	Distance Learning Network Aid
03-495-034-5120 -040	Distance Learning Network Aid –County Special Services School Districts
03-495-034-5120 -029	Instructional Supplement Aid
03-495-034-5120 -053	Character Education
03-100-034-5120 -064	N.J. Nonpublic Textbook Aid
03-100-034-5120 -066	N.J. Nonpublic Handicapped Aid
03-100-034-5120 -067	N.J. Nonpublic Auxiliary Services Aid
03-100-034-5120 -068	N.J. Nonpublic Auxiliary/Handicapped Transportation Aid
03-100-034-5120 -070	N.J. Nonpublic Nursing Services
03-100-034-5120 -373	N.J. Nonpublic Technology Initiative
03-100-034-5120 -074	Educational Information and Resource Center (EIRC)
03-100-034-5120 -072	Emergency Aid

**STATE ACCOUNT NUMBERS cont'd.**

03-100-034-5062 -028	Evening School for the Foreign Born
03-100-034-5064 -012	High School Equivalency
03-100-034-5064 -014	Adult Education
03-495-034-5120 -013	County Vocational Program Aid

**DEBT SERVICE FUND**

03-495-034-5120 -125	Debt Service Aid – State Support
03-100-034-5120 -016	Additional State School Building Aid – Chapters 10, 74 and 177

**ENTERPRISE FUND**

03-100-010-3360 -067	State School Lunch Program
03-100-010-3360 -066	Nonpublic Nutrition Aid
03-100-010-3360 -096	State School Breakfast Program

**ANYTOWN SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2003**

**SCHEDULE A**

11-SA.13

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA	Grant or State	Program or	Grant Period		Balance at June 30, 2002	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue June 30, 2003	Due to Grantor
	Number	Project Number	Award Amount	From	To									
U.S. Department of Education														
General Fund:														
Impact Aid	84.041	N/A	\$3,000	7/1/02	6/30/03			\$3,000	(\$3,000)					
Medical Assistance Program	93.778	N/A	7,222	7/1/02	6/30/03			7,222	(7,222)					
Total General Fund								10,222	(10,222)					
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I, Part A 2002 -03	84.01A	NCLB__X2	150,000	9/1/02	8/31/03		12,000	138,000	(125,000)				\$25,000	
Title I, Part A Carryover	84.01A	IASA__X1	148,000	9/1/01	8/31/02	26,000	(12,000)		(14,000)					
I.D.E.A. Part B, Basic Regular	84.027A	FT__X2	78,000	9/1/02	8/31/03		5,000	78,000	(81,000)				2,000	
I.D.E.A. Part B, Carryover	84.027A	FT__X1	75,000	8/31/01	8/31/02	5,000	(5,000)							
Title II, Part A Teacher and Principal Training	84.281A	NCLB__X2	9,000	9/1/02	8/31/03		6,000	9,000	(15,000)					
Title II, Part B Eisenhower Professional Dev. Program 2002-03	84.186A	IASA__X1	148,000	8/31/01	8/31/02	9,000	(6,000)		(1,000)					2,000
Total Special Revenue Fund						40,000	-	225,000	(236,000)				27,000	2,000
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	87,440	7/1/02	6/30/03			87,440	(87,440)					
School Breakfast Program	10.553	N/A	11,608	7/1/02	6/30/03			9,840	(11,608)			(1,768)		
School Breakfast Program	10.553	N/A	11,946	7/1/01	6/30/02	(1,802)		1,802						
National School Lunch Program	10.555	N/A	450,343	7/1/02	6/30/03			377,163	(450,343)			(73,180)		
Special Milk Program	10.556	N/A	391,960	7/1/02	6/30/03	(69,404)		69,404						
Total Enterprise Fund						(71,206)		545,649	(549,391)			(74,948)		
Sub-Total Federal Financial Awards						(\$31,206)	---	\$780,871	(\$795,613)	---		(\$74,948)	\$27,000	\$2,000

Date Issued 6/03

**ANYTOWN SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2003**

**SCHEDULE B**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2002			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2003		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
State Department of Education															
General Fund:															
Core Curriculum Standards Aid	X2-495-034-5120-022	\$6,481,577	7/1/02	6/30/03					\$6,157,499	(\$6,481,577)			(324,078)		
Transportation Aid	X2-495-034-5120-014	105,892	7/1/02	6/30/03					100,597	(105,892)			(5,295)		
Special Education Aid	X2-495-034-5120-011	1,092,257	7/1/02	6/30/03					997,644	(1,092,257)			(94,613)		
Bilingual Education Aid	X2-495-034-5120-008	54,723	7/1/02	6/30/03					51,987	(54,723)			(2,736)		
On Behalf TPAF Pension Contributions	X2-495-034-5095-001	270,140	7/1/02	6/30/03					270,140	(270,140)					
Reimbursed TPAF Social Security Contributions	X1-495-034-5095-002	717,397	7/1/02	6/30/03					608,715	(717,397)			(108,682)		
Reimbursed TPAF Social Security Contributions	X1-495-034-5095-002	679,570	7/1/01	6/30/02	(\$103,287)				103,287						
Total General Fund					(\$103,287)	-	-	-	8,289,869	(8,721,986)	-	-	(535,404)	-	-
Special Revenue Fund:															
Demonstrably Effective Program Aid	X2-495-034-5064-002	2,080,000	7/1/02	6/30/03				72,500	1,976,000	(2,055,262)			(104,000)		
Demonstrably Effective Program Aid	X2-495-034-5064-002	2,080,000	7/1/01	6/30/02		72,500		(72,500)							
Early Childhood Program Aid	X2-495-034-5120-025	1,642,835	7/1/02	6/30/03				57,556	1,560,693	(1,565,411)			(82,142)	52,838	
Early Childhood Program Aid	X2-495-034-5120-025	1,642,835	7/1/01	6/30/02		57,556		(57,556)							
Distance Learning Network Aid	X2-100-034-5120-348	378,925	7/1/02	6/30/03				20,000	359,979	(362,320)			(18,946)	17,659	
Distance Learning Network Aid	X1-100-034-5120-348	378,925	7/1/01	6/30/02		20,000		(20,000)							
Instructional Supplement Aid	X2-495-034-5120-029	550,000	7/1/02	6/30/03				25,000	522,500	(456,838)			(27,500)	90,662	
Instructional Supplement Aid	X1-495-034-5120-029	550,000	7/1/01	6/30/02		25,000		(25,000)							
N.J. Nonpublic Aid:															
Textbook Aid	X2-100-034-5120-064	41,500	7/1/02	6/30/03					41,500	(40,999)					501
Auxiliary Services:															
English as a Second Language	X2-100-034-5120-067	3,185	7/1/02	6/30/03					3,185	(3,100)					85
English as a Second Language	X1-100-034-5120-067	3,060	7/1/01	6/30/02			726					(726)			
Supplemental Instruction	X2-100-034-5120-066	6,826	7/1/02	6/30/03					6,826	(6,826)					
Supplemental Instruction	X1-100-034-5120-066	6,777	7/1/01	6/30/02			535					(535)			
Technology Initiative	X2-100-034-5120-373	48,647	7/1/02	6/30/03					48,647	(48,647)					
Nursing Services Aid	X2-100-034-5120-070	40,000	7/1/02	6/30/03					40,000	(39,500)					500
Total Special Revenue Fund					-	175,056	1,261	-	4,559,330	(4,578,903)		(1,261)	(232,588)	161,159	1,086
Debt Service Fund:															
Debt Service Aid Type II	X2-495-034-5120-017	195,286	7/1/02	6/30/03	-	-	-	-	195,286	(195,286)	-	-	-	-	-
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	X2-100-010-3360-067	37,173	7/1/02	6/30/03					31,153	(37,173)			(6,020)		
National School Lunch Program (State Share)	X1-100-010-3360-067	72,526	7/1/01	6/30/02	(4,342)				4,342						
Total Enterprise Fund					(4,342)		-	-	35,495	(37,173)	-	-	(6,020)	-	-
Total State Financial Assistance					(\$107,629)	\$175,056	\$1,261	-	\$13,079,980	(\$13,533,348)		(\$1,261)	(\$774,012)	\$161,159	1,086

Date Issued 6/03

\_\_\_\_\_  
**SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_**

*Section I --Summary of Auditor's Results*

**Financial Statements**

[Reference – Section .510 of Circular OMB-133]

Type of auditor's report issued: \_\_\_\_\_

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ no

**Federal Awards**

Internal Control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between type A and type B programs: \$ \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

\_\_\_\_\_  
SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_  
(continued)

*Section I --Summary of Auditor's Results (cont'd.)*

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

Type of auditor's report issued on compliance for major programs: \_\_\_\_\_

Internal Control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Reportable condition(s) identified that are not  
considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Any audit findings disclosed that are required to be reported  
in accordance with NJOMB Circular Letter 98-07? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
_____	_____
_____	_____
_____	_____
_____	_____

**Note to Preparer:** When a Federal or State single audit is not required -- do not include that Awards Section.



\_\_\_\_\_  
**SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_**  
**(continued)**

*Section II -- Financial Statement Findings*

[This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.]

**(Note to Preparer -- Identify each finding with a reference number and present in the following level of detail, as applicable. If there were no findings, state that no matters were reported.)**

**Finding XX-X**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

\_\_\_\_\_  
**SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_**  
**(continued)**

***Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs***

[This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 98-07.]

**(Note to Preparer -- Identify each finding with a reference number. If there are no findings, state that no matters were reported. Findings that are required to be included in both Section II and Section III may be summarized in one section with a reference to the detailed reporting in the other section. When a Federal or State single audit is not required -- do not include that Awards Section.)**

**FEDERAL AWARDS**

**Finding XX-X**

**Information on the federal program(1):**

**Criteria or specific requirement:**

**Condition (2):**

**Questioned Costs (3):**

**Context (4):**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response (5):**

\_\_\_\_\_  
**SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_**  
**(continued)**

*Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs (cont'd.)*

**STATE AWARDS**

**Finding XX-X**

**Information on the state program (1):**

**Criteria or specific requirement:**

**Condition (2):**

**Questioned Costs (3):**

**Context (4):**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response (5):**

- (1) Provide the federal program (CFDA number and title) and state program (NJCFPS number) and agency, the federal/state awards number and year, and the name of the pass-through entity, if applicable.
- (2) Include facts that support the deficiency identified in the audit finding.
- (3) Identify questioned costs as required by section .510(a)(3) and .510(a)(4) of Circular A-133 and NJOMB Circular Letter 98-07.
- (4) Provide sufficient information for judging the prevalence and consequences of the finding, such as the relation to the universe of costs and/or number of items examined and quantification of audit findings in dollars.
- (5) To the extent practical, indicate when management does not agree with the finding and/or questioned cost.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Districts which are required to have a federal and/or state single audit conducted in accordance with USOMB Circular A-133 and/or NJOMB 98-07 are responsible for preparing the summary schedule of prior audit findings and the corrective action plan as part of the Reporting Package required to be submitted to the Federal Clearinghouse and/or State funding departments. Districts should refer to USOMB Circular A-133 section .315 for guidance on preparing these schedules. A sample of the summary schedule of prior audit findings is shown below.

Note to Auditor: Auditors are reminded that OMB – 133, par. 500(e) states “The auditor shall follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with par. 315(b) and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.”

### \_\_\_\_\_ SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_

[This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (section .315 (a)(b)) and NJOMB’s Circular 98-07.]

**[Note to Preparer -- Identify each prior-year finding with its prior-year reference number and present in the following level of detail. If there were no findings, state that no matters were reported.]**

### **STATUS OF PRIOR YEAR FINDINGS**

Finding # \_\_\_\_\_

Condition

Current Status